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CURRENT MINNESOTA LABOR MARKET CONDITIONS

October 1984 Supplement to The Review of Labor and Economic Conditions
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Nation

Weaknesses in some of the Nation's key economic indicators in September together with considerable strength in others made it difficult to determine the direction of the Nation's economy. However, most economists believe that economic growth is merely slowing down and that a recession is not likely to occur in the foreseeable future.

Labor markets, in general, were relatively uneventful in September as the unemployment rate fell and overall employment rose slowly. The seasonally adjusted unemployment rate dropped to 7.4 percent in September after being at 7.5 percent in August, July and May. Total employment, also seasonally adjusted, rose by a more modest 270,000 after gains of 426,000 in August and 353,000 in July. Meanwhile, seasonally adjusted nonfarm payroll employment rose by a comparatively small 139,000 as a strong gain of 229,000 in the services-producing industries was partially offset by a decline of 90,000 in the goods-producing industries.

Contrasting trends in selected other than labor market statistics were evidenced in September. Both the retail sales and personal consumption expenditures reports showed that consumer spending, buoyed by strong gains in personal income, picked up in September after poor performances during the summer. Also, housing starts rose substantially in September, reflecting the easing of interest rates. On the other hand, new orders for durable goods and industrial production fell rather sharply in September, most probably as a result of the combination of auto strikes, increasing imports and a relatively high level of inventories. However, new orders for machine tools exhibited renewed strength in September, suggesting further gains for October.

State

Although seasonally adjusted labor force data indicate that there has been some deterioration in the State's economy, Department analysts believe that the data has been distorted by adjustments required by federal regulations and that, in particular, unemployment has changed little in the past few months. Moreover, seasonally adjusted nonfarm payroll employment, which is not subject to adjustment other than for seasonality, continued to show solid growth in September.

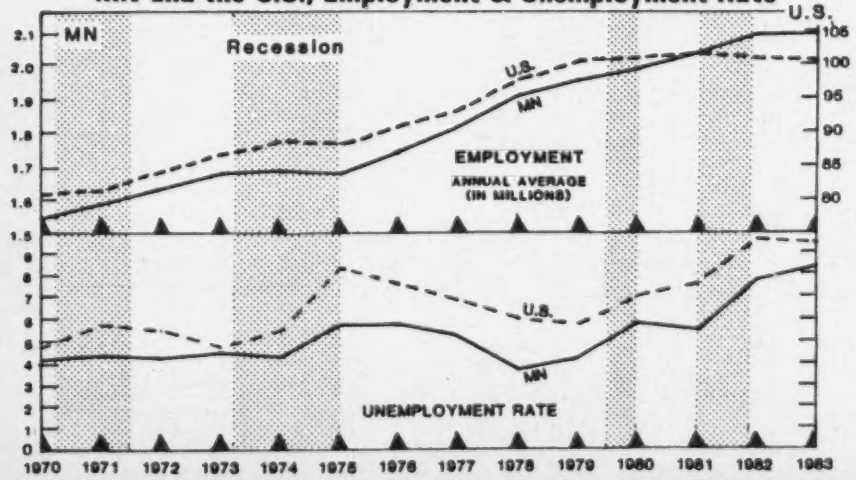
According to seasonally adjusted data, Minnesota's unemployment rate rose 0.2 of a point to 6.5 percent in September. However, the 0.3 of a point drop in the unadjusted unemployment rate was slightly more the average August to September decline over the past fourteen years, suggesting that the rate was little changed in September. There may have been a small decrease in seasonally adjusted total employment since the unadjusted employment figures show a larger than normal drop in September. Meanwhile, seasonally adjusted nonfarm payroll employment showed a gain of 7,800 in September, not far below the average monthly increase during the first eight months of 1984. The September payroll employment growth, however, was almost exclusively in the trade, services, and government sectors, while employment in mining, construction and manufacturing has risen quite slowly since July.

Other indicators for September show some divergent trends. Although seasonally adjusted average weekly initial claims for unemployment benefits fell to their lowest level since October 1979, seasonally adjusted private housing permits dropped sharply in September and are at their lowest since July of last year.

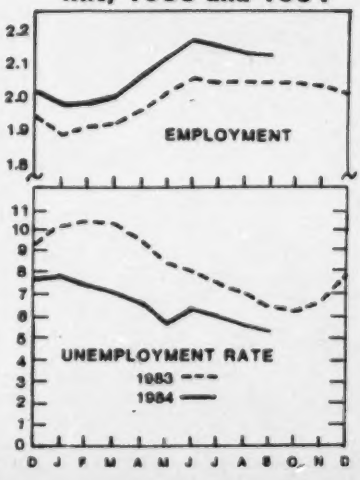
Labor Force Estimates

	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	September 1984	Change From Last Mo.	Change From Year Ago	September 1984	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2250.7	-12.8	67.4	113.8	-1.2	1.6
Employed	2128.3	-7.0	84 9	105.8	-0.9	3.4
Unemployed	122.4	-5.8	-17.5	8.0	-0.3	-1.8
Unemployment Rate						
Actual	5.4	-0.3	-1.0	7.1	-0.2	-1.7
Seasonally Adjusted	6.5	0.2	-1.2	7.4	-0.1	-1.8

MN and the U.S., Employment & Unemployment Rate



MN, 1983 and 1984



Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT[1] (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Sept. 1984	Aug. 1984	Sept. 1983	Aug. 1984	Sept. 1983	Sept. 1984	Aug. 1984	Sept. 1984	Aug. 1984	Sept 1984	Aug. 1984
TOTAL NONAGRICULTURAL	1862.4	1840.1	1749.6	1.2	6.5						
MANUFACTURING	383.3	384.1	359.3	-0.2	6.7	384.71	379.60	9.57	9.49	40.2	40.0
Durable Goods	228.1	228.6	210.7	-0.2	8.2	402.68	393.98	9.75	9.68	41.3	40.7
Furniture, Lumber and Wood	17.0	17.2	15.6	-1.2	9.2	438.76	409.44	10.18	10.06	43.1	40.7
Stone, Clay and Glass	9.9	10.0	9.6	1.0	3.1	385.82	390.75	10.18	10.31	37.9	37.9
Primary Metals	6.0	6.1	5.6	-2.2	6.0	361.82	366.11	9.16	9.13	39.5	40.1
Fabricated Metals	34.5	34.5	33.2	0	4.0	450.84	445.30	10.76	10.73	41.9	41.5
Nonelectrical Machinery	89.8	89.8	81.8	0	9.7	412.72	404.33	9.85	9.79	41.9	41.3
Electrical Machinery	29.9	29.8	26.3	0.5	13.9	322.79	312.82	7.97	7.84	40.5	39.9
Transportation Equipment	7.5	7.5	6.5	-0.8	15.8	471.74	448.80	10.92	10.61	43.2	42.3
Other Durable Goods [2]	33.5	33.6	32.1	-0.4	4.1	380.65	377.70	9.54	9.49	39.9	39.8
Nondurable Goods	155.2	155.5	148.5	-0.2	4.5	362.00	360.89	9.33	9.23	38.8	39.1
Food and Kindred	52.8	52.8	52.1	0	1.3	299.12	303.80	7.81	7.75	38.3	39.2
Textile and Apparel	5.4	5.6	5.2	-2.1	5.0	226.95	220.22	6.02	5.92	37.7	37.2
Paper and Allied	33.7	34.1	32.6	-1.2	3.3	486.35	478.40	11.39	11.23	42.7	42.6
Printing and Publishing	40.9	40.6	36.8	0.8	11.0	373.64	372.01	10.35	10.22	36.1	36.4
Chemical and Petroleum	9.6	9.8	9.4	-1.8	3.0	452.06	435.63	11.08	11.17	40.8	39.0
Rubber and Leather	12.8	12.7	12.4	1.0	3.0	311.20	306.02	8.00	7.99	38.9	38.3
NONMANUFACTURING	1479.1	1456.0	1390.3	1.6	6.4						
Mining and Quarrying	9.4	9.5	7.6	-1.4	23.2	506.86	513.52	12.93	13.10	39.2	39.2
Metal Mining	6.9	7.0	5.2	-1.2	32.4	521.26	533.63	14.05	14.23	37.1	37.5
Construction	85.1	85.2	71.2	-0.1	19.5	582.73	582.91	14.79	14.72	39.4	39.6
Building	23.3	23.1	19.4	0.6	19.9	535.38	584.54	13.87	13.66	38.6	38.4
Highway and Heavy	17.3	17.2	14.5	0.2	19.3	582.56	586.04	13.18	13.14	44.2	44.6
Special Trades	44.5	44.8	37.3	-0.6	19.4	609.52	611.58	16.04	16.01	38.0	38.2
Transportation	63.8	61.3	60.9	3.9	4.7						
Railroads	10.4	10.3	11.1	0.9	-6.0						
Trucking and Warehousing	25.9	25.8	24.7	0.4	5.2	426.02	426.14	11.64	11.58	36.6	36.8
Public Utilities	34.7	34.7	34.3	-0.1	1.1	522.29	518.09	13.09	13.05	39.9	39.7
Communications	20.1	20.0	20.1	0.6	0.2	487.52	486.72	12.28	12.26	39.7	39.7
Elec., Gas and Sanitary	14.6	14.7	14.2	-1.0	2.4	563.00	555.61	14.04	13.96	40.1	39.8
Trade	471.6	468.4	437.8	0.7	7.7	226.44	227.18	7.40	7.40	30.6	30.7
Retail	354.8	351.6	326.8	0.9	8.6	183.61	184.18	6.42	6.44	28.6	28.6
General Merchandise	50.2	48.8	44.6	2.9	12.4	168.76	170.52	5.88	5.88	28.7	29.0
Food Stores	47.1	47.1	45.2	-0.1	4.2	220.21	219.78	7.49	7.45	29.4	29.5
Automotive	36.8	36.5	34.2	0.9	7.6	301.39	310.06	8.19	8.38	36.8	37.0
Eating and Drinking	122.0	121.2	111.3	0.7	9.6	105.08	105.78	4.51	4.54	23.3	23.3
Wholesale	116.9	116.8	111.0	0.1	5.3	387.07	384.53	10.08	10.04	38.4	38.3
F.I.R.E.	106.9	107.0	101.9	-0.1	4.9						
Finance	49.0	49.1	48.7	-0.2	0.6						
Insurance	38.3	38.0	35.9	0.6	6.7						
Real Estate	19.6	19.9	17.3	-1.5	13.2						
Service Industries	424.9	421.3	401.1	0.9	6.0						
Hotel and Lodging	24.9	26.1	22.2	-4.6	12.5						
Business Services	70.7	70.2	64.1	0.7	10.4						
Health Services	136.1	136.5	134.6	-0.3	1.1						
Private Education	22.4	17.9	22.1	25.1	1.5						
Soc. Serv., Museums etc.	90.5	90.2	85.5	0.3	5.9						
Government	282.8	268.6	275.6	5.3	2.6						
Federal	31.6	31.7	30.5	-0.4	3.5						
State	69.5	64.4	68.5	7.8	1.3						
Local	181.8	172.5	176.5	5.4	3.0						

[1] Totals may not add because of rounding.
[2] Includes Scientific Instruments and Miscellaneous Industries.

Labor Force Data: State, SMSAs, and Counties

Area or County	September, 1984 Prelim.		
	Labor Force [1]	Unemp.	Un. Rate
State of Minnesota	2250678	122427	5.4
Metropolitan Areas			
Duluth/Superior (Duluth City Only)	34771	2585	7.4
Fargo/Moorhead (Clay County, MN Only)	27422	892	3.3
Minneapolis/St. Paul SMSA [2]	1226573	53655	4.4
Rochester SMSA (Olmsted Co.)	59966	2353	3.9
St. Cloud SMSA [3]	80782	5660	7.0
Counties			
Aitkin	5613	649	11.6
Anoka	116392	5355	4.6
Becker	13030	1225	9.4
Beltrami	17092	1247	7.3
Benton	12527	937	7.5
Big Stone	4266	226	5.3
Blue Earth	29094	1138	3.9
Brown	15864	809	5.1
Carlton	12109	1081	8.9
Carver	21712	725	3.3
Cass	11152	868	7.8
Chippewa	7688	420	5.5
Chisago	15273	704	4.6
Clay	27422	892	3.3
Clearwater	4301	601	14.0
Cook	2524	189	7.5
Cottonwood	7775	379	4.9
Crow Wing	18499	1446	7.8
Dakota	114837	4869	4.2
Dodge	8866	591	6.7
Douglas	14177	792	5.6
Faribault	11592	427	3.7
Fillmore	12739	702	5.5
Freeborn	18404	1177	6.4
Goodhue	20754	1121	5.4
Grant	3597	158	4.4
Hennepin	558057	24727	4.4
Houston	10581	430	4.1
Hubbard	6271	533	8.5
Isanti	10924	699	6.4
Itasca	17908	1755	9.8
Jackson	8169	329	4.0
Kanabec	5739	525	9.1
Kandiyohi	19094	928	4.9
Kittson	3615	252	7.0
Koochiching	7932	704	8.9
Lac qui Parle	5996	332	5.5
Lake	4184	468	11.2
Lake of the Woods	1963	121	6.2
Le Sueur	13204	779	5.9
Lincoln	4105	186	4.5
Lyon	15963	664	4.2
McLeod	19064	910	4.8
Mahnomen	3017	266	8.8
Marshall	6545	596	9.1
Martin	14636	928	6.3
Meeker	11514	794	6.9
Mille Lacs	9342	648	6.9
Morrison	13234	1118	8.4
Mower	18371	1104	6.0
Murray	6506	428	6.6
Nicollet	14983	592	4.0
Nobles	12827	812	6.3
Norman	4785	214	4.5
Olmsted	59966	2353	3.9
Otter Tail	25504	1614	6.3
Pennington	6482	445	6.9
Pine	9825	757	7.7
Pipestone	5909	246	4.2
Polk	18345	1171	6.4
Pope	5784	312	5.4
Ramsey	272913	12435	4.6
Red Lake	2281	237	10.4
Redwood	11062	413	3.7
Renville	12178	802	6.6
Rice	24285	1471	6.1
Rock	6102	199	3.3
Roseau	6350	399	6.3
St. Louis (Inc. Duluth)	89443	12376	13.8
Scott	25796	991	3.8
Sherburne	14740	978	6.6
Sibley	9181	412	4.5
Stearns	53515	3745	7.0
Steele	17477	1179	6.7
Stevens	6047	241	4.0
Swift	6719	583	8.7
Todd	12010	767	6.4
Traverse	2957	111	3.8
Wabasha	10542	676	6.4
Wadena	5599	407	7.3
Waseca	9678	408	4.2
Washington	66824	2484	3.7
Watonwan	6881	364	5.3
Wilkin	4394	173	3.9
Winona	23254	1398	6.0
Wright	34769	1365	3.9
Yellow Medicine	8038	345	4.3

Technical Notes:

1/ Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.66; employment was multiplied by 1.02. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

2/ Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

3/ Benton, Sherburne, and Stearns Counties.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

On an over-the-month basis, the total number of claimants for unemployment benefits declined by 3,053 or 12 percent in September. Another large decrease among claimants in the services industry caused by the normal rehiring of educational personnel accounted for 57 percent of the September drop in total claimants. However, claimants in most of the other industries did not decline as much in percentage terms as is normal for September. Moreover, the seasonally adjusted data for September showed little change in total claimants in September and even some increases in a few of the industries. Over-the-year, the number of claimants fell by 5584 or 20 percent. The largest over-the-year reductions in claimants were in the mining, construction and retail trade sectors.

Table 1. Distribution of Insured Unemployed, By Age and Sex, September, 1984.

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	22439	60.9	100.0	100.0
Under 45	17079	61.8	77.3	74.3
Under 25	3383	60.3	14.9	15.3
25-34	8567	62.3	39.1	36.8
35-44	5129	62.0	23.3	22.2
45 and Over	5360	57.9	22.7	25.7
45-54	3087	57.2	12.9	15.1
55 and Over	2273	58.9	9.8	10.6

Table 2. Distribution of Insured Unemployed By Industry and Occupation, September, 1984.

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term 1/ Unemployed	Women as Percent of Total
Total, All Industries	22439	100.0	21.1	39.3
Ag., For., Fish.	244	1.1	16.2	46.6
Mining	1788	8.0	0.6	4.1
Construction	1729	7.7	11.5	9.0
Manufacturing	6325	28.2	20.3	36.7
Pub. Utilities	1007	4.5	26.2	28.1
Wholesale Trade	1638	7.3	23.6	32.4
Retail Trade	2759	12.3	25.1	44.7
Fin., Ins., Real Est.	965	4.3	27.3	64.3
Services	5101	22.7	28.2	59.9
Public Admin.	530	2.4	22.1	56.7
Inf. Not Available	353	1.5	3.1	28.5
Total, All Occupations	22439	100.0	21.1	39.3
Prof., Tech., Mgr.	4397	19.6	28.3	48.6
Clerical	3267	14.5	27.5	83.3
Sales	1081	4.8	28.5	33.8
Services	1944	8.7	27.3	56.3
Farm., For., Fish.	181	0.8	15.4	24.6
Processing	901	4.0	16.1	34.0
Machine Trades	1474	6.6	19.9	14.3
Benchwork	2169	9.7	19.4	54.8
Structural Work	2621	11.7	12.7	4.6
Misc.	4136	18.4	11.4	12.0
Inf. Not Available	268	1.2	19.2	57.7

1/ Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 3. Experienced Supply/Job Openings Demand 1/

Occupation	Applicants (Supply) Sept., 1984	Job Openings (Demand) Sept., 1984	Supply/Demand Ratio	
			Sept., 1984	Sept., 1983
Total	90958	21539	4.2	9.6
Prof., Tech., Mgr.	12087	1961	6.2	15.4
Clerical	16532	4426	3.7	8.6
Sales	4592	2389	1.9	3.8
Dom. Services	1426	242	5.9	11.3
Other Services	13097	5715	2.3	5.4
Farm., Fish., For.	3363	279	12.1	15.2
Processing	2039	1226	1.7	3.2
Machine Trades	5833	962	6.1	18.5
Benchwork	6080	1077	5.6	22.7
Structural Work	11581	1281	9.0	28.2
Mtr. Frght., Trans.	3790	740	5.1	7.2
Pkg. & Mat. Hndlg.	9373	1154	8.1	16.2
Other	1165	87	13.4	26.4

1/ Inexperienced and improperly coded job applicants are not included in this table.